

09/699,961

MS150612.01/MSFTP140US**REMARKS**

Claims 1, 3-7, 18-20, 22, 31, 33-35 and 37 are currently pending in the subject application and are presently under consideration. Claims 1, 3, 7, 18, 20, 22, 31, and 33-34 have been amended, claims 6 and 37 have been canceled, and new claims 43-51 have been added. Favorable reconsideration of the subject patent application is respectfully requested in view of the comments and amendments herein.

I. Rejection of Claim 22

Claim 22 is rejected as incomplete because it depends from a canceled claim 21. Claim 22 has been amended to depend from claim 20. Withdrawal of this rejection is respectfully requested.

II. Rejection of Claims 1, 3-7, 33-35 and 37 Under 35 U.S.C. §101

Claims 1, 3-7, 33-35 and 37 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Withdrawal of this rejection is respectfully requested for at least the following reasons. The claimed subject matter allows a user to purchase items from at least two different merchants, which is a *useful, concrete and tangible result*.

A. Supreme Court and Federal Circuit Decisions Interpreting 35 U.S.C. §101

Patentable subject matter is defined by 35 U.S.C. §101, which reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

(35 U.S.C.A. §101 (West 2004)). The Supreme Court has interpreted the legislative history of 35 U.S.C. §101 as indicating that Congress intended “anything under the sun that is made by man” to be patentable subject matter. (*Diamond v. Chakrabarty*, 447 U.S. 303, 309, 206 U.S.P.Q. 193, 197 (1980)). The Supreme Court has held that laws of nature, natural phenomena, and abstract ideas are unpatentable. (See *Diamond v. Diehr*, 450 U.S. 175, 185, 209 U.S.P.Q. 1, 7 (1981)). The Supreme Court and the Federal Circuit both have made it clear that “it is

09/699,961MS150612.01/MSFTP140US

improper to read limitations into 101 on the subject matter that may be patented where the legislative history indicates that Congress clearly did not intend such limitations.” (*State Street Bank & Trust Co., v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1373, 47 U.S.P.Q.2d 1596, 1600 (Fed. Cir. 1998), *cert. denied* 525 U.S. 1093 (1999); *see also Chakrabarty*, 447 U.S. at 308, 206 U.S.P.Q. at 196).

To support the rejection under 35 U.S.C. §101, the Examiner cites to *In re Warmerdam*, 33 F.3d 1354, 1360, 31 U.S.P.Q.2d 1754, 1759 (Fed. Cir. 1994). (See Office Action dated May 16, 2005 at p. 3). In *Warmerdam*, the court applied the Freeman-Water-Abele test to arrive at the conclusion that the claims were no more than unpatentable mathematical algorithms. (See *In re Warmerdam*, 33 F.3d at 1359-62, 31 U.S.P.Q.2d at 1758-60). Subsequent to *Warmerdam*, the Federal Circuit has found the Freeman-Water-Abele test to have “little, if any, applicability to determining the presence of statutory subject matter.” (*State Street*, 149 F.3d at 1374, 47 U.S.P.Q.2d at 1601; *see also AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 1359-60, 50 U.S.P.Q.2d 1447, 1452-53 (Fed. Cir. 1999), *cert. denied* 528 U.S. 946 (1999) (criticizing the use of the Freeman-Water-Abele test by the court in *Warmerdam*)).

To determine whether subject matter is patentable, the Federal Circuit has adopted the test articulated in its *en banc* decision *In re Alappat*, 33 F.3d 1526, 31 U.S.P.Q.2d 1545 (Fed. Cir. 1994) (*en banc*) – whether the claimed subject matter as a *whole* achieves a *useful, concrete and tangible result*. (See *In re Alappat* 33 F.3d at 1544, 31 U.S.P.Q.2d at 1557; *see also State Street*, 149 F.3d at 1373, 47 U.S.P.Q.2d at 1601; and *AT&T*, 172 F.3d at 1359-61, 50 U.S.P.Q.2d at 1453-54). The *Alappat* test is founded in the Supreme Court’s ruling in *Diehr*. (See *In re Alappat*, 33 F.3d at 1543-45, 31 U.S.P.Q.2d at 1556-58; *see also State Street*, 149 F.3d at 1373-74, 47 U.S.P.Q.2d at 1600-02; and *AT&T*, 172 F.3d at 1356-58, 50 U.S.P.Q.2d at 1450-52). Regarding inventions that include mathematical algorithms, the Federal Circuit has characterized the *Alappat* inquiry as:

simply requir[ing] an examination of the contested claims to see if the claimed subject matter *as a whole* is a disembodied mathematical concept representing nothing more than a “law of nature” or an “abstract idea,” or if the mathematical concept has been reduced to some practical application rendering it “*useful*.”

09/699,961MS150612.01/MSFTP140US

(*AT&T*, 172 F.3d at 1357, 50 U.S.P.Q.2d at 1451) (emphasis added). Thus, after the Supreme Court's rulings in *Diehr* and the Federal Circuit's rulings in *Alappat*, *State Street*, and *AT&T*, the proper test to be applied to determine patentable subject matter is whether the subject matter as a *whole* produces a *useful, concrete and tangible result*. (See *In re Alappat*, 33 F.3d at 1543-45, 31 U.S.P.Q.2d at 1556-58; see also *State Street*, 149 F.3d at 1373-74, 47 U.S.P.Q.2d at 1600-02; and *AT&T*, 172 F.3d at 1357-38, 50 U.S.P.Q.2d at 1450-52). The Freeman-Water-Abele test, as was applied in the *Warmerdam* case relied on by the Examiner in the Office Action, is no longer relevant to a determination of patentability. (See *State Street*, 149 F.3d at 1374, 47 U.S.P.Q.2d at 1601; and *AT&T*, 172 F.3d at 1359-60, 50 U.S.P.Q.2d at 1452-53).

In a recent case, the Federal Circuit stated the following with regard to the patentability of computer software:

section 101 explains that an invention includes "any new and useful process, machine, manufacture or composition of matter." *Without question, software code alone qualifies as an invention eligible for patenting under these categories, at least as processes*. The patented invention in this case is such a software product. Thus, this software code claimed in conjunction with a physical structure, such as a disk, fits within *at least those two categories* of subject matter within the broad statutory label of "patented invention."

(*Eolas Technologies, Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1339, 73 U.S.P.Q.2d 1782 (Fed. Cir. 2005)) (emphasis added) (internal citations omitted). The Federal Circuit has reaffirmed its holding in *Eolas* that software alone is patentable subject matter. (See *AT&T Co. v. Microsoft*, No. 04-1285, slip op. at pp. 3-4 (Fed. Cir. July 13, 2005) available online at the Court of Appeals for the Federal Circuit web site <http://www.fedcir.gov/opinions/04-1285.pdf>).

B. The Claimed Subject Matter Produces a Useful, Concrete and Tangible Result and is Patentable

The Examiner contends that the systems and methods of the subject claims must be embodied on computer-readable media to be patentable. Applicant's representative respectfully disagrees. As explained above, the proper test for determining statutory subject matter is whether the subject matter as a whole produces a useful, concrete and tangible result. The systems and methods recited in the subject claims allow a user to purchase items from at least

09/699,961

MS150612.01/MSFTP140US

two different merchants, which is a useful, concrete and tangible result. Moreover, recent Federal Circuit decisions leave no doubt that software alone is patentable subject matter. In view of at least the foregoing, it is readily apparent that the subject claims are directed toward statutory subject matter, and, thus, this rejection should be withdrawn.

III. Rejection of Claims 1, 3, 5, 7, 18, 20, 31, 33-35 and 37 Under 35 U.S.C. §103(a)

Claims 1, 3, 5, 7, 18, 20, 31, 33-35 and 37 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Spiegel *et al.* (US 6,629,079) in view of Bezos *et al.* (US 6,029,141). Withdrawal of this rejection is respectfully requested for at least the following reasons. Neither Spiegel *et al.* nor Bezos *et al.*, either alone or in combination, teach or suggest all of the claim limitations. In addition, there is no teaching, suggestion, or motivation to combine the teachings of Spiegel *et al.* with Bezos *et al.* and the Examiner has not provided any *evidence in the prior art or other reference of record* to show otherwise. The Examiner has merely used the teachings of the applicant's specification as a 20/20 hindsight-based roadmap to achieve the purported combination. Moreover, Bezos *et al.* teaches away from the claimed subject matter. Thus, the Examiner has not established a *prima facie* case of obviousness and the cited references do not render obvious the subject matter as a whole.

The test of obviousness is whether "the subject matter sought to be patented and the prior art are such that the subject matter as a *whole* would have been obvious at the time the invention was made to a person having ordinary skill in the art." (*Graham v. John Deere Co.*, 383 U.S. 1, 3 (1966) (emphasis added); *see also e.g., In re Dembiczak*, 175 F.3d 994, 998, 50 U.S.P.Q. 1614, 1616 (Fed. Cir. 1999)). In evaluating obviousness, the PTO must conduct the factual inquiry as outlined in *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). (*See In re Lee*, 277 F.3d 1338, 1342-43, 61 U.S.P.Q.2d 1430, 1433 (Fed. Cir. 2002)). The factual inquiry to be conducted includes determining: (1) the scope and content of the prior art; (2) the level of ordinary skill in the prior art; (3) the differences between the claimed invention and the prior art; and (4) objective evidence of nonobviousness. (*See Graham*, 383 U.S. 1, 17-18 (1966)). The PTO must "not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion." (*In re Lee*, 277 F.3d at 1344, 61 U.S.P.Q.2d at 1434). The PTO cannot rely merely on conclusory

09/699,961MS150612.01/MSFTP140US

statements and assertions of "common sense" to remedy deficiencies of the cited references. (*In re Lee*, 277 F.3d at 1344, 61 U.S.P.Q.2d at 1434). If the PTO relies on multiple prior art references as the basis for an obviousness rejection, it is not enough that all of the claim limitations appear in the prior art. To establish a *prima facie* case of obviousness, the PTO must also make an adequate showing of a suggestion, teaching, or motivation to combine the prior art references. (See *In re Dembiczkak*, 175 F.3d 994, 999-1001, 50 U.S.P.Q. 1614, 1617 (Fed. Cir. 1999) (citing to *C.R. Bard, Inc., v. M3 Systems, Inc.*, 157 F.3d 1340, 1352, 48 U.S.P.Q.2d 1225, 1232 (Fed. Cir. 1998)); see also *In re Lee*, 277 F.3d at 1343, 61 U.S.P.Q.2d at 1433). Only if the PTO establishes a *prima facie* case of obviousness does the burden of coming forward with evidence or argument shift to the applicant. (See *In re Oetiker*, 977 F.2d 1443, 1445, 24 U.S.P.Q.2d 1443, 1445 (Fed. Cir. 1992)).

The independent claims 1, 18, 31 and 33 in some form recite the limitations a search engine component *identifying items from a plurality of different merchants* based on user indicated criteria wherein *a user selects items from a plurality of different merchants*, and an ordering component providing for *concurrent ordering of at least two items from different merchants*, the search engine component, shopping basket component and ordering component *residing on the user's computer*. Neither Spiegel *et al.* nor Bezos *et al.*, alone or in combination, teach or suggest this novel feature of the subject claims.

Spiegel *et al.* discloses the use of multiple shopping baskets associated with different roles of a user (e.g. work and personal use). (See Spiegel *et al.* at col. 4, lines 4-16). The user selects the shopping cart that is appropriate for the user's current role, and the system adds the items selected by the user for purchase to the currently selected cart. (See Spiegel *et al.* at col. 4, lines 12-16).

Bezos *et al.* describes Amazon's associate program. (See e.g., Bezos *et al.* at Abstract). Associates participating in Amazon's associates program host web sites that provide information about and links to Amazon's products. (See Bezos *et al.* at col. 1, line 50 – col. 3, line 41). When a user clicks on the referral links located on the associate's web site, they are redirected to Amazon's web site where they can add the product to a shopping cart. (See *Id.*) The associate receives a referral fee if the user purchases the product. (See *Id.*). Thus, the Amazon associate program allows users to be directed to Amazon's web site from other associate web sites, but

09/699,961MS150612.01/MSFTP140US

does not allow a user to purchase products from different merchants using the same shopping cart as is recited in the subject claims. The Bezos *et al.* system only allows a user to purchase products from Amazon.com.

The Examiner contends that it would be obvious to combine the teachings of Spiegel *et al.* with Bezos *et al.* because “[i]t would make it convenient for the customers to perform a single check out to purchase products from multiple different web sites.” (Office Action at p. 7). However, the Examiner does not point to anything in the prior art of record that supports this contention. Thus, the Examiner is basing the rejection on the assertion that it would have been obvious to do something not suggested in the art but, rather, suggested by the advantages disclosed in applicant’s specification. This sort of approach has been repeatedly condemned by the Federal Circuit as entering the “tempting but forbidden zone of hindsight.” (*In re Dembiczak*, 175 F.3d at 998, 50 U.S.P.Q. at 1616 (citing to *Loctite Corp. v. Ultraseal Ltd.*, 781 F.2d 861, 873, 228 U.S.P.Q. 90, 98 (Fed. Cir. 1985), overruled on other grounds by *Nobelpharma AB v. Implant Innovations, Inc.*, 141 F.3d 1059, 46 U.S.P.Q.2d 1097 (Fed. Cir. 1998))). By imbuing “one of ordinary skill in the art with knowledge of the invention in suit when no prior art reference or references of record convey or suggest knowledge,” the Examiner has fallen “victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher.” (*In re Fine*, 837 F.2d 1071, 1075, 5 USPQ2d 1596, 1600 (Fed. Cir. 1988) (citing to *W.L. Gore & Assoc., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1553, 220 USPQ 303, 312-13 (Fed. Cir. 1983)) (emphasis added); see also *In re Dembiczak*, 175 F.3d at 998-99, 50 U.S.P.Q. at 1616-17). As the Federal Circuit has stated:

[m]easuring a claimed invention against the standard established by section 103 requires the oft-difficult but critical step of casting the mind back to the time of invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art references and the then-accepted wisdom in the field. . . . Our case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references. Combining prior art references *without evidence* of such a suggestion, teaching, or motivation simply takes the inventor’s disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight. . . . [T]he showing must be *clear and*

09/699,961MS150612.01/MSFTP140US

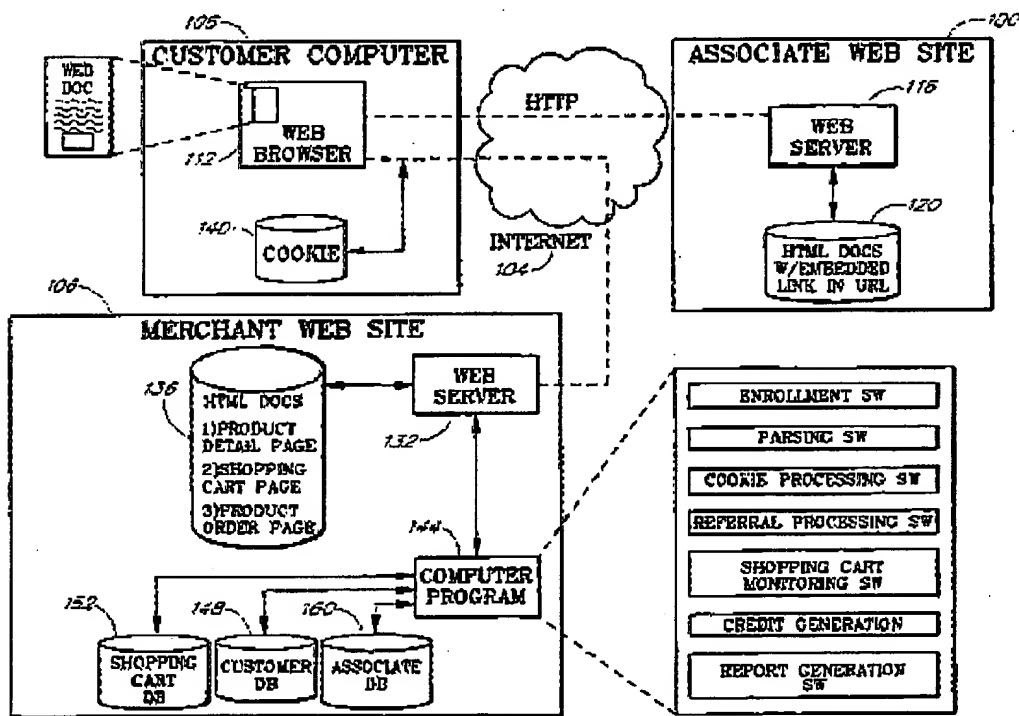
particular. Broad conclusory statements regarding the teaching of multiple references, standing alone, are not "evidence."

(*In re Dembiczaik*, 175 F.3d at 999, 50 U.S.P.Q. at 1617) (internal citations omitted) (emphasis added). Indeed, all the Examiner has done is provide the “[b]road conclusory statements” that the Federal Circuit has held are not *evidence* that can support an obviousness rejection. (*In re Dembiczaik*, 175 F.3d at 999, 50 U.S.P.Q. at 1617).

09/699,961

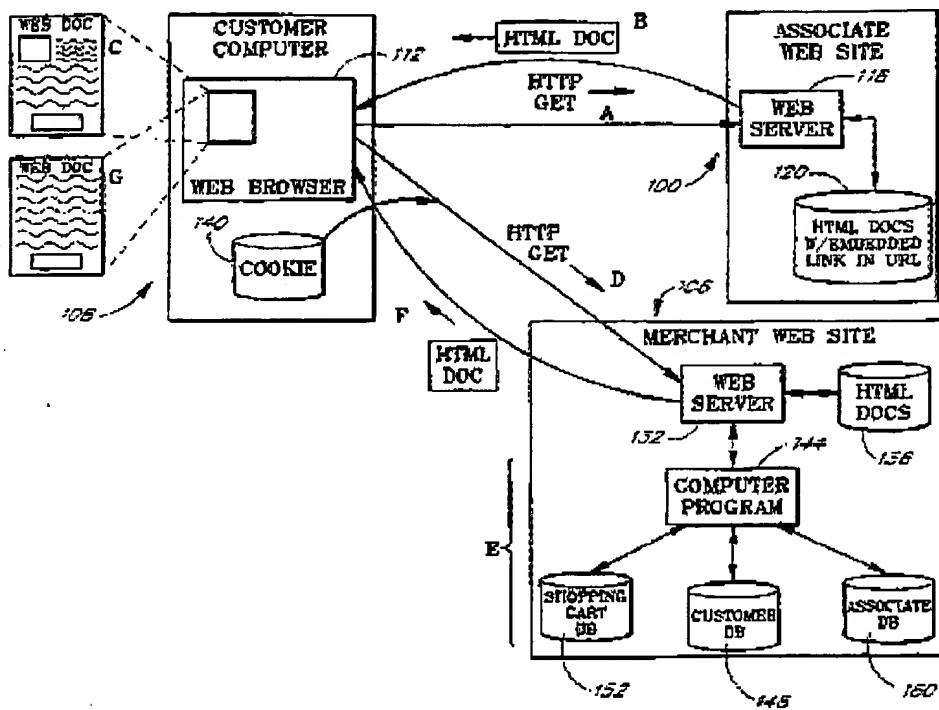
MS150612.01/MSFTP140US

Moreover, Bezos *et al.* teaches away from the use of a shopping cart residing on the shopper's computer. As shown in Figs. 1 and 5 of Bezos *et al.* reproduced below, the Amazon shopping cart resides on Amazon's servers (*see* Bezos *et al.* at col. 2 lines, 48-51; col. 7, lines 61-63; and col. 14, lines 52-54) and retains the identity of the referring associate and the items selected for purchase by a shopper (*see* Bezos *et al.* at col. 13, lines 9-28). The need for Amazon to associate different referring sites with purchased items teaches away from the use of a shopping cart residing on a user's computer as is recited in the subject claims because such a location would make it more difficult for Amazon to associate referral information with purchase information as is required to pay referral fees based on items purchased.



09/699,961

MS150612.01/MSFTP140US



For at least the foregoing reasons, the Examiner has failed to make an adequate showing of a teaching, suggestion, or motivation to combine the references and the cited prior art fails to render obvious the claimed subject matter as a whole. Applicant's representative respectfully requests that this rejection be withdrawn.

IV. Rejection of Claims 4 and 19 Under 35 U.S.C. §103(a)

Claims 4 and 19 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Spiegel *et al.* in view of Bezos *et al.* and further in view of Call (US 6,154,738). Withdrawal of this rejection is respectfully requested for at least the following reasons. Claims 4 and 19 depend from claims 1 and 18, respectively, which are allowable over Spiegel *et al.* in view of Bezos *et al.* and Call does not make up for the aforementioned deficiencies.

Call describes a cross-referencing server that allows a user to gather information on a product from a variety of sources using the Universal Product Code as a reference ID. (*See* Call at Abstract and col. 3, line 65 – col. 4, line 19). However, neither Spiegel *et al.*, Bezos *et al.* nor Call, alone or in combination, disclose *a shopping cart residing on a user's computer* that

09/699,961MS150612.01/MSFTP140US

allows a user to *concurrently purchase items from different merchants* and therefore these references do not render the claimed subject matter as a whole obvious. Accordingly, for at least the foregoing reasons, applicant's representative respectfully requests that this rejection be withdrawn.

V. Rejection of Claims 6 and 22 Under 35 U.S.C. §103(a)

Claims 6 and 22 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Spiegel *et al.* in view of Bezos *et al.* and further in view of Xue (US 5,956,709). Withdrawal of this rejection is respectfully requested for at least the following reasons. There is no teaching, suggestion, or motivation to *combine* the cited references and the Examiner has not provided any *evidence in the prior art or other reference of record* to show otherwise. Moreover, claims 6 and 22 depend from claims 1 and 18, respectively, which are allowable over Spiegel *et al.* in view of Bezos *et al.* and Xue does not make up for the aforementioned deficiencies.

Xue describes an electronic shopping cart that maintains information about products selected for purchase by a user on the user's computer. (*See* Xue at col. 1, lines 47-63). However, neither Spiegel *et al.*, Bezos *et al.* nor Xue, alone or in combination, disclose a shopping cart that allows a user to *concurrently purchase items from different merchants* as is recited in the subject claims.

The Examiner contends that it would be obvious to combine the teachings of Spiegel *et al.* and Bezos *et al.* with those of Xue because "it helps to avoid unnecessary transmissions of useful data between client and server side" and cites to Xue at col. 1, lines 37-63 to support this contention. (Office Action at p. 12). This section of Xue merely discloses the advantages of a client side shopping cart, but does not make any mention of a motivation, teaching or suggestion to *combine* this feature with any other feature. Thus, the Examiner has merely pointed out the advantages of a single limitation, but has not provided any evidence in the prior art or other references that would motivate, teach or suggest combining this feature with any other feature as is required to make a *prima facie* case of obviousness.

For at least the foregoing reasons, applicant's representative respectfully requests that this rejection be withdrawn.

09/699,961MS150612.01/MSFTP140US**VI. New Claims 43-51**

New claims 43-51 depend from one of the independent claims, which for at least the reasons explained *supra*, are allowable over the cited art. By virtue of this dependency, the subject claims recite all of the limitations of the independent claims and for this reason alone are allowable over the cited art. Accordingly, applicant's representative respectfully requests allowance of the subject claims.

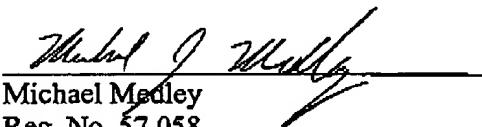
CONCLUSION

The present application is believed to be in condition for allowance in view of the above comments and amendments. A prompt action to such end is earnestly solicited.

In the event any fees are due in connection with this document, the Commissioner is authorized to charge those fees to Deposit Account No. 50-1063 [MSFTP140US].

Should the Examiner believe a telephone interview would be helpful to expedite favorable prosecution, the Examiner is invited to contact applicant's undersigned representative at the telephone number below.

Respectfully submitted,
AMIN & TUROCY, LLP


Michael J. Medley
Reg. No. 57,058

AMIN & TUROCY, LLP
24TH Floor, National City Center
1900 E. 9TH Street
Cleveland, Ohio 44114
Telephone (216) 696-8730
Facsimile (216) 696-8731